Remarks at American Business Conference

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I'm glad to have the chance to be with you, and I want to be very careful not to keep you from your next appointment. You're getting a little of the flavor of Washington. I can't tell you how many times I'm advised that my schedule has just changed, and I'm due at the White House in 20 minutes. So I want to be sure that you keep on schedule.

It's a pleasure to be here. I will soon complete my first year as Director of Central Intelligence, and it is a very interesting job. I think very few people have a job where they could wear a button that says: "My job is so secret that even I don't know what I'm doing."

But I want to talk to you this morning primarily about the role of the Central Intelligence Agency in foreign policy. This is a greatly misunderstood role, and one that must be handled in a correct way. I think this group will be a good sounding board for my perspective, because we count on people like you to understand our role. Most of you have international relationships, and from time to time we may be talking to you, asking for your assistance, and helping you wherever we can. I think it is important for you to understand that the CIA does not have a foreign policy. To the extent that we are engaged in activities to implement a foreign policy, it is the foreign policy of the United States.

Today our government depends heavily on useful, accurate, and objective intelligence. Intelligence to formulate and implement our foreign policy, intelligence to verify the arms agreements that we have signed, and intelligence to understand both the military capabilities and the intentions of our adversaries. Intelligence is very important today as we approach the INF agreement, and will be perhaps even more important in verifying a START agreement. I have recently testified before Congress on the Intelligence Community's ability to monitor the Soviet Union's compliance with the provisions of the INF Treaty. While I cannot discuss details here, I can assure you that Congress is giving very careful attention to our monitoring capabilities, because if the treaty can't be verified, I doubt if we'll have a treaty.

Intelligence must also be timely. Last summer I visited NORAD at Colorado Springs, and SAC Headquarters in Omaha. These are the sites of the principal early warning systems for our country's national defense. A day there can't help but make one aware of the critical importance of early and accurate intelligence for our national defense. Given the speed at which nuclear missiles are able to travel, when we think in terms of survival warnings, we think not in terms of months or weeks or even days, but minutes.

Not only must intelligence be useful and timely, it is important that the information that is collected be developed in an objective way. The Director of Central Intelligence and the people who analyze information must be seen as giving the best estimates, and not as "cooking the books"—as is so often suspected—or trying to shape or influence the policy of this country. We must provide policymakers with the kind of information upon which they can make wise decisions in the interests of our national security.

Because the quality and objectivity of the intelligence we provide is so important, I have taken a number of steps this past year to ensure that the Intelligence Community preserves its objectivity and protects its integrity. We have and will continue to "tell it like it is," avoiding bias as much as we can. On the other side of the coin, policymakers may not like the message they hear from us, especially if they have a different point of view or have already acted before receiving our information. My position is that in the preparation of intelligence judgments, particularly in National Intelligence Estimates, we will provide them for the use of policymakers. They can be used in whole or in part. They can be filed away, ignored, torn up, or thrown away, but they may not be changed. That's not always a popular position, but I think it is the only way for our analysts and scholars to protect their integrity and to have confidence that they, in turn, are being protected.

Let me give you an example. In June 1987, we provided a National Intelligence Estimate to the policy community on Iran and the superpowers in the Gulf. That estimate came after the decision to flag the Kuwaiti tankers had been made. And I must say that the estimate was not a popular one. It dealt extensively with Iranian intentions and capabilities, and what their likely responses might be. Our estimate was not comforting in terms of the length of time that we predicted the situation would go on. It was suggested that we might want to modify the estimate, because it might implicate the War Powers Act, which raised some other problems with the Congress. But we did not change the estimate.

Currently we are experiencing a similar kind of pressure from the Hill in connection with the Toshiba case. We've been providing objective intelligence on the activities of Toshiba in relation to COCOM, and we've been seeing part of our information leaked in the press. Those who are leaking the information are trying to achieve their own political objectives. But the leaks are not coming out in full and objective form. There isn't much we can do about that, except to say that the entire intelligence package remains our best estimate. Some people welcome parts of our estimate; others think it is an unnecessary impediment to important immational relationships. Nevertheless, to protect our integrity, these reports will than unchanged.

I think this insistence on objectivity may be one of the most significant contributions that I could make in galvanizing a cohesive Intelligence Community—not just CIA, but DIA, NSA, all the military intelligence components, and so on—without compromising the integrity of the individual analysts or program managers.

In addition to providing intelligence that is useful, timely, and objective, the CIA plays an important role in implementing foreign policy. This is done through its covert action programs. These may include political work through communications—getting the message out—training, supplying important materials for those who need support, and simply giving advice. Although covert action is not defined by law, the term has come to be understood to refer to activities conducted in support of national policy in such a way that the role of the United States Government is not apparent.

Covert capability, especially in our foreign policy, provides needed support for liberation movements, often provides support to governments, and allows us to work in collaboration with those governments who do not wish, for legitimate political reasons of their own, to have the U.S. role and involvement publicly known.

From President Franklin Roosevelt forward, every President in my lifetime has endorsed and used covert action to support the foreign policy of this country. Although covert actions traditionally claim only a very small fraction of the CIA's total resources and expenditures (less than three percent) they are the focus of the greatest congressional and public attention.

And Congress is very interested in what the CIA does. I recently addressed a group of retired intelligence officers, and they recalled the days when no classified papers went from the CIA to either branch of Congress and the only classified briefings to congressional committees were given by the Director himself, or with the Director present. At one time, the Senate Appropriations Committee had one cleared staffer, the House Appropriations Committee one or two. Today, four congressional committees closely examine the Agency's activities, and the number of individuals who see classified material far exceeds the one or two of the past.

Fifteen years ago the CIA gave 175 briefings to Congress; last year we gave over 1,000 briefings on a variety of topics. These topics included arms control, Soviet weapons, the Persian Gulf situation, the conflict in Central America, and even the spread of AIDS in Africa. We provide information on topics of current interest to Congress, but we also like to anticipate the information that Congress and the policy community will need in the future—what they want to know, and what they should know. We provide such information in the form of National

Intelligence Estimates. These are not simply research papers; they represent the considered judgments of our experts—the experts of the entire Intelligence Community. They are carefully assembled in an objective way. Dissenting opinions are not cast to the back of the report in small-print footnotes, but are carefully reflected in the text or in clear footnotes below the text so that those reading the estimates—particularly the President—will know the differences of opinion wherever they may exist. We do not seek the lowest common denominator of opinion, but try to reflect the best judgment of the Community as a whole. Virtually all CIA assessments go to the two congressional intelligence committees. Most also go to the Appropriations, Foreign Relations, and Armed Services Committees, and they are widely read. Eight congressional committees get the CIA's daily national intelligence report. In the last year the CIA sent more than 5,000 intelligence reports to Congress.

In addition to briefings and papers, we also testify before Congress. I have spent a fair amount of time on the Hill, lately, myself. I was talking to two of my top executives yesterday and I estimated 15 percent of my time and they estimated 25 percent of their time was spent dealing with Congress. Because I know of the need to be absolutely candid with Congress and the responsibility intelligence professionals have to protect sources and methods, I have established guidelines for others governing our dealings with Congress. Many of our people are not experienced in testifying before Congress, and they need a very clear road map of what they can and cannot say. And I have made it absolutely clear that in dealing with Congress there is no excuse for deception. In order to protect our sources and methods, there are going to be some questions on which they will have to demur and refer back to me. I will take the heat or work out arrangements with Congress. But we will not give half-answers or around-the-corner answers. If there is a problem, we will say there is a problem, and we cannot answer the question at this time. We may ultimately have to provide an answer, and it may mean negotiation. But we will not leave the Congress feeling that in some way anyone in the CIA has been disingenuous in dealing with them.

I firmly believe that the oversight responsibilities exercised by Congress are both necessary and beneficial. There must be a dependable system of oversight and accountability which builds, rather than erodes, trust and confidence between the Intelligence Community, those who have the responsibility for protecting it, and those who are the elected representatives of the American people.

As part of my effort to establish an open relationship with the Congress, I meet with the leaders of our oversight committees at least monthly. It might interest you to know what percentage of our Senators and Members of the House have served or are serving on intelligence committees. Twenty-six percent of the Senators now in the Senate have been on the Senate Select Committee on Intelligence. That's a pretty good percentage. Only five percent of those now

serving in the House have been on the House Permanent Select Committee on Intelligence, which we call the HPSCI. The Members of Congress I have just mentioned share with the Intelligence Community the responsibility of preserving the nation's intelligence secrets. And they do it pretty well, although there are occasional blips. When these have occurred, we've been very quick to protest, and the chairman and vice chairman have been very good about following up.

I've been talking a good deal about disclosures in the oversight process. Now I'd like to say a few words about secrecy. It seems quite clear to me that it would be impossible to carry out clandestine activities—either to collect information or to carry out authorized covert action—without secrecy.

Both Congress and the judiciary have recognized the need for secrecy in matters of national security. The main purpose of secrecy is to preserve and protect sources and methods—two words that were not terribly important to me when I was on the bench. Only when I came to the FBI did I realize how crucial these two words could be in terms of our counterintelligence responsibilities. If we cannot protect our sources, we will simply not get the information that we need. If we cannot protect the sensitive methods by which we collect the information, both in terms of individuals on the ground and satellites in space, we will cease to have the means for collecting information.

Secrecy is a necessary part of effective intelligence collection. But it is, historically, that part of intelligence that has generated the most suspicion and distrust. My good friend, General Vernon Walters, former Deputy Director of Central Intelligence and now Ambassador to the United Nations, described the view many have not only of secrecy, but of intelligence in general. "Americans," he observed, "have always had an ambivalent attitude toward intelligence. When they feel threatened, they want a lot of it, and when they don't, they tend to regard the whole thing as somewhat immoral." That's a very good summing up of what we have to deal with.

I mentioned earlier the number of briefings and documents that we provide Congress yearly. What I did not discuss were the laws defining the nature of the relationship between Congress and intelligence—the laws that tell us what to provide and when to provide it. Let me briefly summarize this, because I think it is important for you to understand that we do operate within very clearly defined rules, and not according to our own rules.

In 1976 and 1977 both houses of Congress established intelligence oversight committees to monitor all significant intelligence activities and expenditures. Many of the rules which govern our activities are found in the National Security Act, the Hughes-Ryan Amendment, and the Intelligence Oversight Act. The oversight committees, operating under those acts, have formalized the reporting of intelligence and covert actions to Congress. The Intelligence

Community is now required by law to keep the intelligence committees fully and currently informed of all intelligence activities. Under the Hughes-Ryan Amendment, the President must find that each covert action is important to the national security before the operation can be initiated.

Under law it is our duty to notify the committees of any significant intelligence activities. This includes any activity requiring a Presidential finding. When necessary, the President can limit that notification to the chairman and ranking minority member of the intelligence committees, to the Speaker and Minority Leader of the House of Representatives, and the Majority and Minority Leaders of the Senate—referred to, in trade parlance, as the "Gang of Eight." And there is another statutory requirement. The intelligence committees must be fully informed in a "timely fashion" of intelligence operations for which prior notice was not given—and the President must state the reasons for not giving prior notice in those instances.

Just what constitutes "timely" is an understandable matter of concern. The House is considering and the Senate has recently approved legislation that would require notification of a special activity to Congress within 48 hours of a Presidential finding. I have opposed this because I believe some reasonable allowance must be made for that rare case where limited delay in congressional notification is critical to preserve the absolute security of an operation—when, for example, lives are at stake. The 48-hour rule is not a problem mechanically. In fact, the only three instances that anyone can recall in which such notice was not given concerned Iran—the Iranian rescue effort with the Canadian Embassy; the hostage-rescue attempt; and, more recently, the Iran-Contra matter. But such legislation is unnecessary because a National Security Decision Directive already requires—as I have long urged—the National Security Planning Group to reevaluate, at least every 10 days, a decision to delay congressional notification of a given finding.

I'm sure you've had similar procedures in your own businesses. Perhaps you make a threshold decision, but you know that it's important enough to be rethought, and at the earliest opportunity, you do so. And that's what the National Security Decision Directive provides.

Further, the Intelligence Community believes that it is not enough just for the President to make a finding authorizing and directing us to take some covert action. Indeed, within our own procedures, we pass through a Covert Action Review Group within the CIA that operates under the same principles as the National Security Council Planning Group. Before submitting the proposal to the President, we in the Intelligence Community have a responsibility to determine that the proposed covert action can be done. And done in a lawful way. And that it is consistent with our overt foreign policy. And we must determine that the proposal would make sense to the American people if it became public. Then and only then

should we recommend the proposal to the President. And we must be sure that the individuals—my officers and their agents—who are out on the firing line, outside the protection of our Constitution and our laws, can do their work with the flexibility that they need, and with the clearest understanding of their responsibilities to the CIA and to the country.

Although it is dangerous to predict anything in an election year, I will spend a moment considering the changes that are occurring in intelligence and the kind of information we will be providing Congress and the policy community in the near future.

There has been a dramatic increase in the number and diversity of subjects the Intelligence Community is required to address. While much of our effort is still focused on the Soviet Union, we are spending more time and resources collecting information on Third World nations, on regional conflicts that implicate the United States, as we've seen all over the world. We are interested in both the political and economic stability of countries from Brazil to Bangladesh, from Mexico to Malaysia, and from Turkey to Tanzania. We are also concentrating on interdisciplinary problems such as international terrorism, narcotics trafficking, and technology transfer.

We believe the Soviet Union's appetite for American technology is growing, particularly in the area of information technology. The Soviet strategy appears to be modernizing the electronics-based sector of the economy before moving to invest more heavily, in the 1990s, in military production facilities. We have every reason to believe that Soviet industrial espionage will intensify in the next decade. And the Soviets will continue to devote whatever resources and manpower are necessary to fulfill their most critical military collection requirements.

Issues like technology transfer have changed our own collection requirements. That's why we must continue to attract top people to help us. We are fortunate in that last year, over 100,000 men and women expressed an interest in working for the Central Intelligence Agency. You have no doubt read about the protests on some college campuses when CIA recruits. Interestingly enough, these protests and the publicity they generate often work in our favor. Our recruitment centers are inundated with resumes after campus demonstrations. But we're not responsible for the campus demonstrations. Strange things are happening. At Colby, the faculty voted to bar CIA recruiting on campus and the students voted to have our recruiters come. Now the trustees must decide which way they're going to go. We're getting applications every month from over 1,000 brilliant, talented, dedicated young men and women. These are serious applications, not just expressions of interest.

I hope that we continue to attract those best suited to carry out our mission—those who are risk takers but not risk seekers, people who are dedicated and responsive to our law and discipline, people who understand and play by the rules. People to whom fame and fortune are not particularly necessary parts of their lives, but who can find in our work an avenue to pursue their highest aspirations for a safer and better world.

With such people we can continue to provide the intelligence that policy-makers need, observing the rules of oversight and accountability that both the Congress and the members of the Intelligence Community have a right to expect. This is what you would want of us, what all American people would want of us, and we are doing our very best to supply it.

Thank you.